GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:414
ANSWERED ON:23.11.2006
LOAN FOR PLANES BY AI
Patel Shri Kishanbhai Vestabhai;Scindia Shri Jyotiraditya Madhavrao;Singh Shri Sugrib

Will the Minister of CIVIL AVIATION be pleased to state:

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(a) Whether the Air India(AI) proposes to raise loan from banks/financial institutions for purchase of planes under its mega plan purchase programme, as reported in The Times of India, dated October 10, 2006;

(b) If so, the details of the banks/financial institutions, the amount of loan along with the terms and conditions thereof ;

(c) Whether Air India has received any planes so far from the Boeing Company under the said programme;

(d) If so, the details thereof; and

(e) If not, the time by which the first lot of planes is expected to be received from the said company?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a) and (b):Air India and its subsidiary, Air India Charters Limited propose to finance 85% cost of the project i.e. for acquisition of 68 aircraft through Loan guaranteed by US Exim bank. Though no final agreement has yet been finalized/signed in this regard, M/s. ABN Amro Bank have been mandated as Exim guaranteed lender for first tranche of 17 aircraft. The balance 15% would be raised through commercial loans for which State Bank of India/ICICI Bank have been mandated. The total cost of financing package for first tranche of 17 aircraft is US$1.5 Billion. Financing for balance 51 aircraft totalling US$5.7 Billion will be arranged later .

(c): No, Sir.

(d): Does not aise.

(e): The first aircraft is scheduled to be deivered in end November 2006.